

CODESA S.A. E.S.P.**CONSOLIDATED BALANCE SHEET**
(In thousands of pesos)

| | as of June 30, 2014 | as of December 31, 2013 |
|---|-------------------------|-------------------------|
| Assets | | |
| Current Assets: | | |
| Available and Investments | \$ 151.026.458 | \$ 696.299.770 |
| Accounts receivable, Net | 597.104.279 | 340.246.934 |
| Prepaid expenses | 4.401.804 | 3.399.812 |
| Total current assets | <u>752.532.541</u> | <u>1.039.946.516</u> |
| Inventories, net | 22.388.886 | 14.807.854 |
| Debtors, net | 45.403.288 | 45.498.739 |
| Permanent investments, net | 105.973.308 | 105.973.307 |
| Properties, plant and equipment | 3.386.131.279 | 3.405.651.297 |
| Deferred Taxes | 45.275.892 | 51.295.517 |
| Other assets | 118.354.483 | 123.872.369 |
| Valuations | 744.908.574 | 740.916.013 |
| Total assets | <u>\$ 5.220.968.251</u> | <u>\$ 5.527.961.612</u> |
| Liabilities and equity | | |
| Current liabilities: | | |
| Loans | \$ 65.109.200 | \$ 256.350.596 |
| Bonds and commercial paper outstanding | \$ 6.139.301 | 568.116.998 |
| Accounts payable | 696.428.633 | 122.043.237 |
| Taxes, levies and duties payable | 172.145.683 | 27.327.091 |
| Labor-related and social security obligations | 27.557.432 | 44.334.007 |
| Accrued expenses and provisions | 43.692.368 | 27.618.495 |
| Pensions and fringe benefits | 27.514.665 | 54.435.831 |
| Other current liabilities | 58.780.459 | |
| Total current liabilities | <u>1.097.367.741</u> | <u>1.100.226.255</u> |
| Long-term Liabilities: | | |
| Bonds and commercial paper outstanding | 990.880.851 | 990.700.970 |
| Estimated liabilities and reserves | 15.427.661 | 29.939.525 |
| Retirement pensions | 172.066.888 | 171.963.058 |
| Deferred liabilities | 36.431.562 | 36.431.562 |
| Other liabilities | 48.766.490 | 50.268.427 |
| Total long-term liabilities | <u>1.263.573.452</u> | <u>1.279.303.542</u> |
| Total liabilities | <u>2.360.941.193</u> | <u>2.379.529.797</u> |
| Equity: | | |
| Subscribed and paid capital | 13.209.327 | 13.209.327 |
| Premium for placement of shares | 13.333.540 | 13.333.540 |
| Legal reserve | 57.567.062 | 57.567.062 |
| Equity revaluation | 1.787.495.354 | 1.787.495.354 |
| Valuation surplus | 744.908.574 | 740.916.013 |
| Net income for the period | 243.513.201 | 535.910.519 |
| Total equity | <u>2.860.027.058</u> | <u>3.148.431.815</u> |
| Total liabilities and equity | <u>\$ 5.220.968.251</u> | <u>\$ 5.527.961.612</u> |
| Memorandum accounts | <u>\$ 5.796.020.461</u> | <u>\$ 5.342.203.291</u> |

Original signed by
CLAUDIA PATRICIA CIRKA MARTÍNEZ
Public Accountant

CODENSA S.A. E.S.P.

CONSOLIDATED INCOME STATEMENT (in thousands of Colombian pesos)

| | Six month period from January 1 to June 30, 2014 | Twelve month period from January 1 to December 31, 2013 |
|--------------------------------|--|--|
| Operational revenues | \$ 1.668.867.638 | \$ 3.212.218.132 |
| Cost of sales | (1.226.937.804) | (2.276.911.578) |
| Gross profits | <u>441.929.834</u> | 935.306.554 |
| Administration expenses | (42.927.566) | (81.185.463) |
| Operational profits | <u>399.002.268</u> | 854.121.091 |
| Other expenditures (revenues): | | |
| Financial revenues | 13.864.534 | 33.771.011 |
| Extraordinary revenues | 11.787.693 | 12.934.785 |
| Financial expenditures | (41.669.983) | (68.032.435) |
| Extraordinary expenditures | (9.171.164) | (17.671.844) |
| Profits before taxes | <u>373.813.348</u> | 815.122.608 |
| Income tax | (130.300.147) | (279.212.089) |
| Net income for the period | <u>\$ 243.513.201</u> | <u>\$ 535.910.519</u> |

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CODENSA S.A. E.S.P.

CONSOLIDATED CASH FLOW STATEMENTS
(in thousands of Colombian pesos)

| | as of December 31, | |
|--|----------------------------|----------------|
| | as of June 30, 2014 | 2013 |
| Operational Activities | | |
| Net year profits | \$ 243.513.201 | \$ 535.910.519 |
| Adjustments to concile net profit of the period and net cash used in operational activities: | | |
| Depreciation and Amortization | 131.312.717 | 254.057.486 |
| Bond amortization | 179.881 | 362.744 |
| Deferred tax, active | 1.849.250 | (2.805.838) |
| Deferred tax, debit, previous years | 4.170.375 | 3.412.437 |
| Retirement pension reserve | 12.640.706 | 15.346.423 |
| Loss (profits) in the sale of properties, plant, and equipment | 881.924 | 3.108.194 |
| Loss (gain) on account of actuarial calculations | 0 | 4.523.589 |
| Accounts receivable reserve | 1.203.786 | 1.846.129 |
| Recovery of accounts receivable reserve | (67.167) | (952.635) |
| Inventory reserve | - | 867.736 |
| Loss (gain) on other assets | 1.268.193 | |
| Recovery of other costs and expenses | (796.494) | (1.442.662) |
| Contingency recovery | (1.617.254) | (485.571) |
| Contingency reserve | 1.402.400 | 860.819 |
| Profit in the sale of equipment | (353.378) | (589.024) |
| Declared Dividends | (807.113) | |
| Net change in operational assets and liabilities | | |
| Debtors | (257.091.401) | (27.487.488) |
| Inventories | (7.581.032) | (2.653.735) |
| Expenses paid in advance | (1.001.992) | (452.500) |
| Accounts Payable | (188.529.845) | 12.001.423 |
| Taxes, charges, and rates | 50.102.446 | (31.022.139) |
| Pension liabilities (payments) | (12.640.706) | (26.320.310) |
| Labor obligations | 230.341 | 5.733.757 |
| Estimated liabilities and reserves | (14.311.501) | 33.153.444 |
| Other liabilities | 3.581.948 | 17.455.715 |
| Net cash from operational activities | (32.460.715) | 794.428.513 |
| Investment activities | | |
| Increase in properties, plant, and equipment | (105.802.317) | (281.262.390) |
| Dividends | 0 | 4.360.213 |
| Increase in other assets | (3.401.268) | (11.662.415) |
| Result in the sale of properties, plant, and equipment | 392.776 | 809.300 |
| Net cash used in investment activities | (108.810.809) | (287.755.292) |
| Financial activities | | |
| Increase of financial obligations and interest payments, net | 105.688.585 | 451.850.372 |
| Payment of financial obligations and interest | (290.790.680) | (316.775.263) |
| Dividend payment | (203.029.114) | (496.693.959) |
| Equity tax payment | (15.870.579) | (31.741.156) |
| Net cash provided (used) in financial activities | (404.001.788) | (393.360.006) |
| Increase (decrease) in cash and cash equivalents: | (545.273.312) | 113.313.215 |
| Cash and cash equivalents at the beginning of the year | 696.299.770 | 582.986.555 |
| Cash and cash equivalents at year end | \$151.026.458 | \$696.299.770 |

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